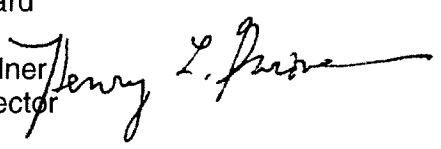


M E M O

Date: January 7, 2009

To: Executive Board

From: Henry L. Gardner
Executive Director 

Subject: **Executive Director's Report**

State Budget Crisis

The news continues to get worse in resolving the state's budget crisis. The state's budget gap now exceeds \$40 billion over the next 18 months and has grown by \$12 billion in the last two months. In December the state notified ABAG and local governments that many contracts and grants were suspended and would remain suspended until there is a resolution to the budget deficit. If the budget is resolved by the end of February, ABAG will be able to continue its existing programs, although will have to make major adjustments to accommodate the cash flow shortages. We are hopeful that current funding for existing programs will remain in place since the source of these funds are restricted and are not normally available to the state for other purposes. There is no guarantee, however, that there will be no shifting of these funds to state programs and projects.

SB 375 and AB 32

We will be working closely with MTC, BAAQMD, and BCDC in developing strategies to comply with SB 375 and AB 32. This will require major staff and funding resources to ensure that our work is timely, comprehensive, and responsive to the charges and challenges of these expansive legislative dictates. ABAG has already committed to many of the goals and principles of this legislation, and has been working collaboratively with our regional partners to organize our collective efforts to produce the best results for the region. Our work, however, is just beginning. In order to be effective, we need to establish clear, on-going communications with our members so that there is buy-in and support for the ultimate policy initiatives that we will rely on to meet our goals. We will be calling on each of you to assist in the process.

FOCUS Forum 2009

ABAG continues its FOCUS Forum series in 2009 with monthly meetings, focused discussions, and guest speakers providing opportunities for elected officials and staff of member counties and cities to learn more about specific issues concerning the creation of complete communities near transit in urbanized areas. Upcoming topics include "Incorporating Child Care in our Communities" on February 12; FOCUS on Public Engagement on March 3; "Cities and Schools—Solutions and Best Practices for Urban Areas" on April 12. For the complete FOCUS Forum 2009 schedule and description of each meeting in the series, go to <http://bayareavision.org/initiatives/speakerseries.html>.

ABAG Energy Watch Program Concludes 2006-08 Program Cycle

Ending its 2006-2008 program cycle, the ABAG Energy Watch completed more than 240 individual energy efficiency projects at 45 separate agencies. These projects represent approximately 18,300,000 kWh/year in electricity savings and 475,000 therms/year in natural gas savings. The program's "top performer" to date is the County of Alameda with approximately 4.2 million kWh/year in savings. During the first quarter of 2009 the program hopes to complete an additional 70 projects that are currently underway and represent 7.8 million kWh/year of savings.

ABAG Financial Services

Financings delivered by ABAG and its affiliated entities since my last report include:

- \$34 million in Revenue Bonds for Point Loma University in **San Diego County** to construct and renovate educational Facilities;
- \$28.21 million in Revenue Bonds for the Schools of Sacred Heart in **San Francisco** to refinance existing ABAG-issued debt.